

## OFFICIAL DISPATCH

VIA: AIR  
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DISPATCH NO. 413

CLASSIFICATION

13 May 1952

TO : Chief of Base, Salzburg

DATE:

FROM : Chief, EE

SUBJECT: GENERAL. Operational

SPECIFIC: [ ]

References: MAS 355, SALZ 346

1. Attached for your information are copies of the most recent letter from [ ] and of a "Fund 'Gemeinschaft'" which was evidently written by Mr. TYLER of HGF, Paris in response to a request from Mr. ISIG, mentioned in the body of [ ] letter. As you can see, we have fallen in the middle of the torrent in the Hungarian torrent, and Szekely's case has assumed political implications which we did not foresee. Throughout this affair we have adhered to the HGF that our sole objective is the removal of General VASVARY from a position of influence in the American and British zones of Austria. Further, we have made it clear that we have suggested [ ] as VASVARY's replacement simply because it would be most convenient for us, but that we would be perfectly willing to consider any other person who might be more desirable to the HGF for professional or political reasons - so long as he is American-oriented and can be controlled by DIGNITY. Within the past week we have renewed our request for action through what seems to be a better channel, and hope to be able to report progress soon.

2. We apologize for the delay in replying to SALZ 346; the suggestion that HAJOSLUF STEI replace Mr. KORNHOLTVATH as Chief of the whole Welfare Subcommittee in the Hungarian National Council introduced a new factor which we had difficulty in reconciling with the [ ] VASVARY affair. It seems to us that we will have accomplished our purpose if we can establish effective control over the Welfare Office in our zone of operations in Austria, and that we would not be justified in attempting to extend our influence beyond this. We can also see

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OPD 03-22240

SECRET

SECURITY INFORMATION

14 July 1952

MEMORANDUM FOR:

EE/PC/H

EE/SO/H

1. Attached herewith the most recent reorganization orders from Msgr. Bela Varga (Enclosure No. 1) concerning the Hungarian National Council's Refugee Service in Austria as submitted to the Fund by Colonel Mihaly Nagy.

2. Colonel Nagy departs for his new post as director of the British and U. S. Zones (Enclosure No. 2) on July 16th where he will meet with the Fund representative at present inspecting these problems, before assuming control. The representative is expected to return to the United States and submit a full report on the European refugee situation by August 1st.

3. The appointment of General Vasvary to the newly created post of General Representative of the Hungarian Refugee Service for all Austria (Enclosure No. 3) is merely window dressing to permit Msgr. Kozl-Horvath to save face as a result of his promises to Vasvary and his subsequent inability to fulfill his commitments (i.e. he promised Vasvary the administrative directorship of all three zones). The post of General Representative consists merely of representing the HNC on official occasions, banquets etc. at the specific request of the New York Office, Vasvary's administrative responsibilities being confined to the French Zone.

4. General Hennyey finally arrived in New York on June 27 for conferences with both the Hungarian National Council and the Fund. He reported a most valuable series of talks with the Fund representative presently inspecting refugee matters in Europe and is expected to remain in this country for at least a month. Msgr. Varga is highly desirous that he return to Munich to reassume control of refugee matters in Germany and had indeed elicited a promise to this effect from Hennyey prior to his departure but he is as yet unsure whether Hennyey will wish to return.

Enclosure:- 4

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